

Senate Bill No. 106

CHAPTER 175

An act to amend Sections 9250.7 and 22710 of the Vehicle Code, relating to vehicles, and making an appropriation therefor.

[Approved by Governor August 12, 2001. Filed with
Secretary of State August 13, 2001.]

LEGISLATIVE COUNSEL'S DIGEST

SB 106, Sher. Service authority.

Existing law authorizes the establishment of a service authority and the imposition of a \$1 service fee in a county if the county board of supervisors, by a $\frac{2}{3}$ vote, and a majority of the cities having a majority of the incorporated population within the county, adopt a resolution establishing the authority and the imposition of a service fee on vehicles, as specified. Existing law requires the Department of Motor Vehicles to collect the fee at the time of vehicle registration, renewal of registration, or when renewal becomes delinquent. The net amount of fees collected for these fees is required to be deposited in the Abandoned Vehicle Trust Fund, which is continuously appropriated to the Controller for allocation to participating service authorities, as specified. Under existing law, if any funds received by a service authority are not expended to abate abandoned vehicles within 90 days of the close of the fiscal year in which the funds were received and the amount of those funds exceeds the amount expended by the service authority for the abatement of abandoned vehicles in the previous fiscal year, the fee for that authority is suspended for one year, commencing the following January 1. These provisions are currently required to terminate not later than 10 years from the date the actual collection commenced.

This bill would limit the authority to suspend the service fee to abatement programs that have been in existence for at least 2 full fiscal years and would require every service authority that imposes a service fee to issue a fiscal yearend report, as specified, to the Controller on or before October 31 of each year. The bill would require each service authority that fails to submit the annual report by November 30 of each year to have its fee suspended for one year.

The bill would require the Controller, on or before January 1, 2003, and on or before January 1 annually thereafter, to submit a report to the Legislature providing specified information and to review the fiscal yearend reports submitted by each service authority. The bill would require the Controller to determine whether a service authority fee is to

be suspended for one year. The bill would require the suspension to commence on July 1, rather than January 1, following the Controller's determination. The bill would require the Controller to instruct the Department of Motor Vehicles on or before January 1, 2003, and on or before January 1 annually thereafter, as to the suspension of the service authority's fee. The bill would authorize the extension of the fee collection in increments of up to 10 years each, and would thereby extend the fee and the continuous appropriation, thereby making an appropriation.

Appropriation: yes.

The people of the State of California do enact as follows:

SECTION 1. Section 9250.7 of the Vehicle Code is amended to read:

9250.7. (a) (1) A service authority established under Section 22710 may impose a service fee of one dollar (\$1) on all vehicles, except trailers and semitrailers described in subdivision (a) of Section 5014.1, registered to an owner with an address in the county that established the service authority. The fee shall be paid to the department at the time of registration, or renewal of registration, or when renewal becomes delinquent, except on vehicles that are expressly exempted under this code from the payment of registration fees.

(2) In addition to the one dollar (\$1) service fee, and upon the implementation of the permanent trailer identification plate program, and as part of the Commercial Vehicle Registration Act of 2001, all commercial motor vehicles registered to an owner with an address in the county that established a service authority under this section, shall pay an additional service fee of two dollars (\$2).

(b) The department, after deducting its administrative costs, shall transmit, at least quarterly, the net amount collected pursuant to subdivision (a) to the Treasurer for deposit in the Abandoned Vehicle Trust Fund, which is hereby created. All money in the fund is continuously appropriated to the Controller for allocation to a service authority that has an approved abandoned vehicle abatement program pursuant to Section 22710, and for payment of the administrative costs of the Controller. After deduction of its administrative costs, the Controller shall allocate the money in the Abandoned Vehicle Trust Fund to each service authority in proportion to the revenues received from the fee imposed by that authority pursuant to subdivision (a). If any funds received by a service authority pursuant to this section are not expended to abate abandoned vehicles pursuant to an approved abandoned vehicle abatement program that has been in existence for at



least two full fiscal years within 90 days of the close of the fiscal year in which the funds were received and the amount of those funds exceeds the amount expended by the service authority for the abatement of abandoned vehicles in the previous fiscal year, a fee imposed pursuant to subdivision (a) shall be suspended for one year, commencing on the July 1 following the Controller's determination pursuant to subdivision (e).

(c) Every service authority that imposes a fee authorized by subdivision (a) shall issue a fiscal yearend report to the Controller on or before October 31 of each year summarizing all of the following:

(1) The total revenues received by the service authority for the previous fiscal year.

(2) The total expenditures by the service authority for the previous fiscal year.

(3) The total number of vehicles abated during the previous fiscal year.

(4) The average cost per abatement during the previous fiscal year.

(5) Any additional, unexpended fee revenues for the service authority for the previous fiscal year.

(d) Each service authority that fails to submit the report required pursuant to subdivision (c) by November 30 of each year shall have the fee suspended for one year pursuant to subdivision (b).

(e) On or before January 1, 2003, and on or before January 1 annually thereafter, the Controller shall review the fiscal yearend reports submitted by each service authority pursuant to subdivision (c) to determine if fee revenues are being utilized in a manner consistent with the service authority's program. If the Controller determines that the use of the fee revenues is not consistent with the service authority's program, or that an excess of fee revenues exists, as specified in subdivision (b), the authority to collect the fee shall be suspended for one year pursuant to subdivision (b). If the Controller determines that a service authority has not submitted a fiscal yearend report as required in subdivision (c), the authorization to collect the service fee shall be suspended for one year pursuant to subdivision (d). The Controller shall inform the Department of Motor Vehicles on or before January 1, 2003, and on or before January 1 annually thereafter, that the authority to collect the fee is suspended. A suspension shall only occur if the service authority has been in existence for at least two full fiscal years and the revenue fee surpluses are in excess of those allowed under this section or the fiscal yearend report has not been submitted.

(f) On or before January 1, 2003, and on or before January 1 annually thereafter, the Controller shall prepare and submit to the Legislature a revenue and expenditure summary for each service authority established



under Section 22710 that includes, but is not limited to, all of the following:

- (1) The total revenues received by each service authority.
- (2) The total expenditures by each service authority.
- (3) The unexpended revenues for each service authority.
- (4) The total number of vehicle abatements for each service authority.
- (5) The average cost per abatement as provided by each service authority to the Controller pursuant to subdivision (c).
- (g) The fee imposed by a service authority shall remain in effect only for a period of 10 years from the date that the actual collection of the fee commenced unless the fee is extended pursuant to this subdivision. The fee may be extended in increments of up to 10 years each if the board of supervisors of the county, by a two-thirds vote, and a majority of the cities having a majority of the incorporated population within the county adopt resolutions providing for the extension of the fee.

SEC. 2. Section 22710 of the Vehicle Code is amended to read:

22710. (a) A service authority for the abatement of abandoned vehicles may be established, and a one dollar (\$1) vehicle registration fee imposed, in any county if the board of supervisors of the county, by a two-thirds vote, and a majority of the cities having a majority of the incorporated population within the county have adopted resolutions providing for the establishment of the authority and imposition of the fee. The membership of the authority shall be determined by concurrence of the board of supervisors and a majority vote of the majority of the cities within the county having a majority of the incorporated population.

(b) The authority may contract and may undertake any act convenient or necessary to carry out any law relating to the authority. The authority shall be staffed by existing personnel of the city, county, or county transportation commission.

(c) (1) Notwithstanding any other provision of law, a service authority may adopt an ordinance establishing procedures for the abatement, removal, and disposal, as public nuisances, of any abandoned, wrecked, dismantled, or inoperative vehicles or parts thereof from private or public property; and for the recovery, pursuant to Section 25845 or 38773.5 of the Government Code, or assumption by the service authority, of costs of administration and that removal and disposal. The actual removal and disposal of vehicles shall be undertaken by an entity that may be a county or city or the department, pursuant to contract with the service authority as provided in this section.

(2) The money received by an authority pursuant to Section 9250.7 and this section shall be used only for the abatement, removal, and



disposal as public nuisances of any abandoned, wrecked, dismantled, or inoperative vehicles or parts thereof from private or public property.

(d) (1) An abandoned vehicle abatement program and plan of a service authority shall be implemented only with the approval of the county and a majority of the cities having a majority of the incorporated population.

(2) The department shall provide guidelines for abandoned vehicle abatement programs. An authority's abandoned vehicle abatement plan and program shall be consistent with those guidelines, and shall provide for, but not be limited to, an estimate of the number of abandoned vehicles, a disposal and enforcement strategy including contractual agreements, and appropriate fiscal controls.

The department's guidelines provided pursuant to this paragraph shall include, but not be limited to, requiring each service authority receiving funds from the Abandoned Vehicle Trust Fund to report to the Controller on an annual basis pursuant to subdivision (c) of Section 9250.7, in a manner prescribed by the department, and pursuant to an approved abandoned vehicle abatement program. The report shall be submitted to the Controller not later than 90 calendar days following the end of the previous quarter.

(3) After a plan has been approved pursuant to paragraph (1), the service authority shall, not later than August 1 of the year in which the plan was approved, submit it to the department for review, and the department shall, not later than October 1 of that same year, either approve the plan as submitted or make recommendations for revision. After the plan has received the department's approval as being consistent with the department's guidelines, the service authority shall, not later than January 1 of the following year, submit it to the Controller.

(4) Except as provided in subdivision (e), the Controller shall make no allocations for a calendar year to a service authority for which an approved plan was not received on or before January 1 of that year, or when a county has failed to provide its annual report as required in paragraph (2).

(5) No governmental agency shall receive any funds from a service authority for the abatement of abandoned vehicles pursuant to an approved abandoned vehicle abatement program unless the governmental agency has submitted an annual report to the service authority stating the manner in which the funds were expended, and the number of vehicles abated. The governmental agency shall receive that percentage of the total funds collected by the service authority that is equal to its share of the formula calculated pursuant to paragraph (6).

(6) Each service authority shall calculate a formula for apportioning funds to each governmental agency that receives funds from the service



authority and submit that formula to the Controller with the annual report required pursuant to paragraph (2). The formula shall apportion 50 percent of the funds received by the service authority to a governmental agency based on the percentage of vehicles abated by that governmental agency of the total number of abandoned vehicles abated by all member agencies, and 50 percent based on population and geographic area, as determined by the service authority. When the formula is first submitted to the Controller, and each time the formula is revised thereafter, the service authority shall include a detailed explanation of how the service authority determined the apportionment between per capita abatements and service area.

(e) Any plan that has been submitted to the Controller pursuant to subdivision (d) may be revised pursuant to the procedure prescribed in that subdivision, including compliance with any dates described therein for submission to the department and the Controller, respectively, in the year in which the revisions are proposed. Compliance with that procedure shall only be required if the revisions are substantial. A service authority that is newly formed and has not complied with subdivision (d) may so comply after the dates specified in subdivision (d) by submitting an approved plan on or before those dates in the year in which the plan is submitted.

(f) For purposes of this section, “abandoned vehicle abatement” means the removal of a vehicle from public or private property by towing or any other means after the vehicle has been marked as abandoned by an official of a governmental agency that is a member of the service authority.

(g) A service authority shall cease to exist on the date that all revenues received by the authority pursuant to this section and Section 9250.7 have been expended.

